COSWAY CORPORATION LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 288)

FINAL RESULTS FOR THE YEAR ENDED 30 APRIL 2011

The board of directors (the "Board") of Cosway Corporation Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 April 2011 with comparative figures for the year ended 30 April 2010.

CONSOLIDATED INCOME STATEMENT

For the year ended 30 April 2011

	Notes	**2011** *HK$'000*	2010 *HK$'000*
REVENUE	4	**3,368,483**	2,329,278
Cost of sales		**(1,968,746)**	(1,352,953)
Gross profit		**1,399,737**	976,325
Other income	4	**12,430**	15,166
Selling and distribution expenses		**(602,046)**	(347,972)
General and administrative expenses		**(461,559)**	(332,797)
Other expenses, net		**(18,070)**	(17,964)
Change in fair value of investment properties		**65,972**	9,010
Finance costs	5	**(44,363)**	(19,031)
Share of profits and losses of associates		**623**	373
PROFIT BEFORE TAX	6	**352,724**	283,110
Income tax expense	7	**(81,609)**	(60,885)
PROFIT FOR THE YEAR		**271,115**	222,225
Attributable to:			
Owners of the parent		**268,669**	211,756
Non-controlling interests		**2,446**	10,469
		271,115	222,225
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted		**HK$0.02**	HK$0.04

Details of the dividend are disclosed in note 8.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 30 April 2011

	2011 *HK$'000*	2010 *HK$'000*
PROFIT FOR THE YEAR	**271,115**	222,225
OTHER COMPREHENSIVE INCOME		
Share of other comprehensive income of associates	**5,710**	(2,542)
Exchange differences on translation of foreign operations	**42,210**	70,102
	47,920	67,560
Surplus on property revaluation	**58,821**	–
Income tax effect	**(20,000)**	–
	38,821	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**86,741**	67,560
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**357,856**	289,785
Attributable to:		
Owners of the parent	**354,798**	276,842
Non-controlling interests	**3,058**	12,943
	357,856	289,785

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 April 2011

	Note	**30 April 2011 HK$'000**	30 April 2010 HK$'000 (Restated)	1 May 2009 HK$'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**388,961**	235,007	128,247
Investment properties		**351,646**	264,519	114,990
Goodwill		**328,363**	317,395	9,741
Investments in associates		**16,660**	10,392	109
Available-for-sale investments		**513**	475	243
Deposits		**64,689**	45,167	28,336
Deferred tax assets		**22,426**	7,525	2,523
Total non-current assets		**1,173,258**	880,480	284,189
CURRENT ASSETS				
Inventories		**895,293**	581,889	402,138
Trade receivables	*10*	**65,826**	79,562	78,172
Tax recoverable		**1,048**	1,867	–
Prepayments, deposits and other receivables		**94,275**	66,269	38,670
Due from the ultimate holding company		**–**	–	1,137
Due from a former intermediate holding company		**–**	–	731
Due from the former immediate holding company		**–**	–	34,173
Due from fellow subsidiaries		**1,911**	1,529	1,287
Pledged deposits		**7,373**	1,069	395
Cash and cash equivalents		**208,203**	135,212	92,275
		1,273,929	867,397	648,978
Asset classified as held for sale		**–**	–	22,677
Total current assets		**1,273,929**	867,397	671,655

	Note	**30 April 2011** *HK$'000*	30 April 2010 *HK$'000* (Restated)	1 May 2009 *HK$'000* (Restated)
CURRENT LIABILITIES				
Trade payables	*11*	**388,443**	260,515	230,991
Other payables and accruals		**199,023**	121,906	85,659
Defined benefit obligations		**89**	41	52
Deferred revenue		**79,355**	66,500	49,466
Interest-bearing bank and other borrowings		**248,752**	163,448	58,384
Due to the former immediate holding company		**–**	–	11
Due to an associate		**2,899**	2,262	2,328
Due to fellow subsidiaries		**3,006**	1,040	788
Tax payable		**56,002**	43,139	28,058
Total current liabilities		**977,569**	658,851	455,737
NET CURRENT ASSETS		**296,360**	208,546	215,918
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,469,618**	1,089,026	500,107
NON-CURRENT LIABILITIES				
Defined benefit obligations		**1,633**	1,353	985
Interest-bearing bank and other borrowings		**11,229**	2,591	35
Loan from a shareholder		**12,230**	11,840	–
Irredeemable convertible unsecured loan securities		**302,891**	391,831	–
Deferred tax liabilities		**61,493**	19,502	2,834
Other payables		**286**	275	–
Total non-current liabilities		**389,762**	427,392	3,854
Net assets		**1,079,856**	661,634	496,253
EQUITY				
Equity attributable to owners of the parent				
Issued capital		**1,104,016**	553,400	332,861
Equity component of irredeemable convertible unsecured loan securities		**1,299,514**	1,752,505	–
Reserves		**(1,338,141)**	(1,656,442)	125,478
		1,065,389	649,463	458,339
Non-controlling interests		**14,467**	12,171	37,914
Total equity		**1,079,856**	661,634	496,253

Notes:

1. CORPORATE INFORMATION

Cosway Corporation Limited is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 17/F, Austin Plaza, 83 Austin Road, Jordan, Kowloon, Hong Kong.

During the year, the principal activities of the Company and its subsidiaries consisted of direct selling of household, personal care, healthcare and other consumer products and property investment. In the opinion of the directors, the ultimate holding company of the Company is Berjaya Corporation Berhad ("B Corp"), which is incorporated in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain available-for-sale investments, which have been measured at fair value. Non-current asset held for sale is stated at the lower of its carrying amount and fair value less costs to sell. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Reverse acquisition

On 13 October 2009, the Company entered into agreements with Cosway Corporation Berhad ("CCB"), Biofield Sdn. Bhd. ("Biofield"), an indirect subsidiary of CCB, and Madison County LLC, an independent third party, (collectively the "Cosway M Vendors") for the acquisition of 83.89%, 6.11% and 10.00% equity interests, respectively, in Cosway (M) Sdn. Bhd. ("Cosway M") and its subsidiaries (collectively the "Cosway M Group"), at the consideration of Ringgit Malaysia ("RM") 1,000,000,000, equivalent to HK$2,230,399,000, in aggregate (the "Acquisition"). Cosway M Group is engaged in the direct sales of consumer products, property investment and investment holding. On the same date, the Company entered into another agreement with Prime Credit Leasing Sdn. Bhd., Berjaya Sompo Insurance Berhad, Inter-Pacific Securities Sdn. Bhd., Berjaya Hills Berhad, Tan Sri Dato' Seri Vincent Tan Chee Yioun and Rayvin Tan Yeong Sheik (collectively the "eCosway Vendors") for the acquisition from eCosway Vendors of an aggregate 40% equity interest in eCosway.com Sdn. Bhd. ("eCosway"), a 60%-owned subsidiary of Cosway M, at an aggregate consideration of RM107,584,000, equivalent to HK$239,700,000. eCosway is principally engaged in the direct selling business with online shopping portal.

The consideration for the Acquisition of RM1,000,000,000, equivalent to HK$2,230,399,000 was satisfied by (a) the issuance of 858,185,074 ordinary shares of the Company of HK$0.20 per share; (b) issuance of irredeemable convertible unsecured loan securities ("ICULS") with principal amount of HK$1,956,800,000 and (c) cash of RM44,700,000, equivalent to HK$101,962,000 upon completion.

The consideration for the acquisition of the 40% equity interests of eCosway was satisfied by (a) the issuance of 32,498,592 ordinary shares of the Company of HK$0.20 per share and (b) issuance of ICULS with principal amount of HK$233,200,000.

The above acquisitions of equity interests in Cosway M Group and eCosway were completed on 8 December 2009. Details of the acquisitions of Cosway M Group and eCosway are set out in the Company's circular dated 30 October 2009.

Under general accepted accounting principles in Hong Kong, the Acquisition constituted a reverse acquisition from an accounting perspective since CCB had become the controlling shareholder of the Company after the Acquisition. For accounting purposes, Cosway M is regarded as the acquirer while the Company and its subsidiaries before the Acquisition (collectively the "CCL Group") are deemed to have been acquired by Cosway

M. As a result, these consolidated financial statements have been prepared as a continuation of the consolidated financial statements of the Cosway M Group which has a financial year end date of 30 April, and accordingly:

(i) the assets and liabilities of the Cosway M Group are recognised and measured in these consolidated financial statements at their historical carrying values prior to the Acquisition;

(ii) the retained profits and other reserve balances of Cosway M Group prior to the Acquisition are retained in the equity balances in these consolidated financial statements; and

(iii) the amount recognised as issued capital of the Group in these consolidated financial statements, which represents the share capital in the consolidated statement of financial position of the Group, is the sum of the issued share capital of Cosway M (the legal subsidiary after the Acquisition), Cosway M Group's deemed cost of acquisition of the CCL Group, and the subsequent issue of new shares of the Company upon completion of the Acquisition. However, the equity structure, being the number and type of shares issued, reflects the equity structure of the Company (the legal parent after the Acquisition) including the new shares issued in effecting the Acquisition.

Basis of consolidation

Basis of consolidation from 1 May 2010

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 April 2011. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

Basis of consolidation prior to 1 May 2010

Certain of the above-mentioned requirements have been applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisitions of non-controlling interests (formerly known as minority interests), prior to 1 May 2010, were accounted for using the parent entity extension method, whereby the differences between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.

- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributable to the parent, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 May 2010 were not reallocated between non-controlling interest and the parent shareholders.

- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying amount of such investment at 1 May 2010 has not been restated.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*
HKFRS 5 Amendments included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*
Improvements to HKFRSs 2009	Amendments to a number of HKFRSs issued in May 2009
HK Interpretation 4 Amendment	Amendment to HK Interpretation 4 *Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
HK Interpretation 5	*Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

Other than as further explained below regarding the impact of HKFRS 3 (Revised), HKAS 27 (Revised), amendments to HKAS 7 and HKAS 17 included in *Improvements to HKFRSs 2009*, HK Interpretation 4 (Revised in December 2009) and HK Interpretation 5, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 3 (Revised) *Business Combinations* and HKAS 27 (Revised) *Consolidated and Separate Financial Statements*

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limited to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

The changes introduced by these revised standards are applied prospectively and affect the accounting of acquisitions, loss of control and transactions with non-controlling interests after 1 May 2010.

(b) *Improvements to HKFRSs 2009* issued in May 2009 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 7 *Statement of Cash Flows*: Requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities.

- HKAS 17 *Leases*: Removes the specific guidance on classifying land as a lease. As a result, leases of land should be classified as either operating or finance leases in accordance with the general guidance in HKAS 17.

Amendment to HK Interpretation 4 *Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases* is revised as a consequence of the amendment to HKAS 17 *Leases* included in *Improvements to HKFRSs 2009*. Following this amendment, the scope of HK Interpretation 4 has been expanded to cover all land leases, including those classified as finance leases. As a result, this interpretation is applicable to all leases of property accounted for in accordance with HKAS 16, HKAS 17 and HKAS 40.

The Group has reassessed its leases which are situated in Malaysia, previously classified as operating leases, upon the adoption of the amendments. As substantially all the risks and rewards associated with the leases in Malaysia have been transferred to the Group, leases in Malaysia have been reclassified from operating leases under "prepaid land lease payments" to finance leases under "property, plant and equipment". The corresponding amortisation has also been reclassified to depreciation. The effects of the above changes are summarised below:

	2011	2010
	HK$'000	*HK$'000*
Consolidated income statement for the year ended 30 April:		
Decrease in amortisation of prepaid land lease payments	**(194)**	(178)
Increase in depreciation of property, plant and equipment	**194**	178
	–	–

	30 April 2011	30 April 2010	1 May 2009
	HK$'000	*HK$'000*	*HK$'000*
Consolidated statement of financial position:			
Decrease in prepaid land lease payments, net	**(10,159)**	(9,618)	(8,747)
Increase in property, plant and equipment, net	**10,159**	9,618	8,747

Due to the retrospective application of the amendments which has resulted in the restatement of items in the statement of financial position, a statement of financial position as at 1 May 2009 has been presented in these financial statements.

(c) HK Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

The interpretation requires a term loan that contains a clause that gives the lender the unconditional right to call the loan at any time shall be classified in total by the borrower as current in the statement of financial position. This is irrespective of whether a default event has occurred and notwithstanding any other terms and maturity stated in the loan agreement.

Prior to the adoption of this interpretation, the Group's term loans were classified in the consolidated statement of financial position separately as to the current and non-current liability portions based on the maturity dates of repayment. Upon the adoption of the interpretation, a term loan has been reclassified as a current liability. The interpretation has been applied by the Group retrospectively and comparative amounts have been restated. In addition, as a result of this change and as required by HKAS 1 *Presentation of Financial Statements*, these financial statements also include a consolidated statement of financial position as at 1 May 2009.

The above change has had no effect on the consolidated income statement. The effects on the Group's consolidated statement of financial position are summarised as follows:

	30 April 2011 *HK$'000*	30 April 2010 *HK$'000*	1 May 2009 *HK$'000*
Current liabilities			
Increase in interest-bearing bank and other borrowings	**5,985**	6,165	–
Non-current liabilities			
Decrease in interest-bearing bank and other borrowings	**(5,985)**	(6,165)	–

There was no impact on the net assets of the Group.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters* [1]
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* [3]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets* [3]
HKFRS 9	*Financial Instruments* [5]
HKFRS 10	*Consolidated Financial Statements* [5]
HKFRS 11	*Joint Arrangements* [5]
HKFRS 12	*Disclosure of Interests in Other Entities* [5]
HKFRS 13	*Fair Value Measurement* [5]
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred tax: Recovery of Underlying Assets* [4]
HKAS 24 (Revised)	*Related Party Disclosures* [2]
HKAS 27 (2011)	*Separate Financial Statements* [5]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures* [5]
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement* [2]
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments* [1]

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2010* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1 July 2010, whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)-Int 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard.

1 Effective for annual periods beginning on or after 1 July 2010
2 Effective for annual periods beginning on or after 1 January 2011
3 Effective for annual periods beginning on or after 1 July 2011
4 Effective for annual periods beginning on or after 1 January 2012
5 Effective for annual periods beginning on or after 1 January 2013

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the direct selling/retailing segment is engaged in direct selling of household, personal care, healthcare and other consumer products; and

(b) the property investment segment is engaged in investment in prime office space for rental income potential.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, share of profits and losses of associates as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets exclude investments in associates, available-for-sale investments, goodwill, deferred tax assets, tax recoverable and certain other receivables as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, ICULS, loan from a shareholder, tax payables and deferred tax liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

	Direct selling/Retailing		**Property investment**		**Total**	
Year ended 30 April	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue						
Sales to external customers	**3,356,225**	2,318,137	**12,258**	11,141	**3,368,483**	2,329,278
Intersegment sales	**–**	–	**6,445**	3,670	**6,445**	3,670
	3,356,225	2,318,137	**18,703**	14,811	**3,374,928**	2,332,948
Reconciliation:						
Elimination of intersegment sales					**(6,445)**	(3,670)
Revenue					**3,368,483**	2,329,278
Segment results	**318,063**	277,515	**65,971**	9,087	**384,034**	286,602
Reconciliation:						
Interest income					**458**	1,155
Unallocated gains					**11,972**	14,011
Finance costs					**(44,363)**	(19,031)
Share of profits and losses of associates					**623**	373
Profit before tax					**352,724**	283,110

Year ended 30 April	Direct selling/Retailing		Property investment		Total	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)				(Restated)
Segment assets	**1,729,946**	1,130,356	**347,416**	273,095	**2,077,362**	1,403,451
Reconciliation:						
Investments in associates					**16,660**	10,392
Corporate and unallocated assets					**353,165**	334,034
Total assets					**2,447,187**	1,747,877
Segment liabilities	**666,496**	445,622	**8,238**	8,270	**674,734**	453,892
Reconciliation:						
Corporate and unallocated liabilities					**692,597**	632,351
					1,367,331	1,086,243
Other segment information:						
Depreciation	**59,411**	31,687	**153**	132	**59,564**	31,819
Capital expenditure*	**146,020**	126,255	**229**	126,434	**146,249**	252,689
Reversal of impairment of other receivables	**–**	(3,956)	**–**	–	**–**	(3,956)
Change in fair value of investment properties	**–**	–	**(65,972)**	(9,010)	**(65,972)**	(9,010)

* Capital expenditure consists of additions to property, plant and equipment and investment properties, including assets from the acquisition of subsidiaries.

Geographical information

(a) Revenue from external customers

	2011	2010
	HK$'000	*HK$'000*
Malaysia, Singapore and Brunei	**1,666,538**	1,268,329
Hong Kong, Macau and Taiwan	**1,368,997**	903,241
Other countries	**332,948**	157,708
	3,368,483	2,329,278

The revenue information above is based on the location of the customers.

(b) *Non-current assets*

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Malaysia, Singapore and Brunei	**754,552**	668,934
Hong Kong, Macau and Taiwan	**156,028**	118,768
Other countries	**239,739**	84,778
	1,150,319	872,480

The non-current asset information above is based on the location of assets and excludes available-for-sale investments and deferred tax assets.

4. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents the invoiced value of goods sold, net of discounts and returns; the value of services rendered; and gross rental income received and receivable from investment properties during the year.

An analysis of revenue and other income is as follows:

	2011	2010
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**3,256,568**	2,277,442
Membership fee income	**99,657**	40,695
Gross rental income	**12,258**	11,141
	3,368,483	2,329,278
Other income		
Interest income	**458**	1,155
Others	**11,972**	14,011
	12,430	15,166

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2011	2010
	HK$'000	*HK$'000*
Interest on bank loans, overdrafts and other loans wholly repayable within five years	**11,946**	4,695
Interest on ICULS	**32,417**	14,336
	44,363	19,031

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2011 *HK$'000*	2010 *HK$'000* (Restated)
Cost of inventories sold	**1,344,569**	1,010,030
Auditors' remuneration	**2,713**	2,075
Depreciation	**59,564**	31,819
Minimum lease payments under operating leases on:		
Land and buildings	**104,698**	67,084
Contingent rents of retail shops	**420**	196
Plant and machinery	**50**	419
	105,168	67,699
Employee benefit expenses (including directors' remuneration):		
Wages, salaries, allowances and benefits in kind	**211,370**	144,187
Equity-settled share option expenses	**11,199**	–
Defined contribution scheme	**12,170**	8,790
Defined benefit scheme	**284**	216
Pension scheme contributions	**12,454**	9,006
	235,023	153,193
Gross rental income on investment properties	**(12,258)**	(11,141)
Less: Outgoing expenses	**6,584**	5,750
Net rental income	**(5,674)**	(5,391)
Loss on disposal of items of property, plant and equipment	**5,134**	105
Impairment of trade receivables, net	**3,997**	2,539
Reversal of impairment of other receivables	**–**	(3,956)
Change in fair value of investment properties	**(65,972)**	(9,010)
Write-down/(written back) of inventories to net realisable value	**(9,492)**	6,005
Withholding tax on royalty income	**4,725**	2,999
Foreign exchange differences, net	**11,773**	8,618

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or jurisdictions in which the Group operates.

	2011	2010
	HK$'000	*HK$'000*
Group:		
Current – Hong Kong		
Charge for the year	**20,280**	11,770
Overprovision in prior years	**–**	(25)
Current – Malaysia		
Charge for the year	**47,294**	38,391
Underprovision/(overprovision) in prior years	**(241)**	1,208
Current – Elsewhere		
Charge for the year	**8,650**	7,455
Underprovision/(overprovision) in prior years	**(259)**	86
Deferred	**5,885**	2,000
Total tax charge for the year	**81,609**	60,885

8. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 30 April 2011.

At a meeting held on 19 August 2010, the directors proposed a final dividend of HK1.5 cents per ordinary share for the year ended 30 April 2010, which was estimated to be HK$29,426,000 at the time calculated on the basis of the ordinary shares in issue as at 30 April 2010. The final dividend was approved by shareholders at the annual general meeting on 30 September 2010. As a result of shares issued upon conversion of ICULS during the period between 1 May 2010 and 30 September 2010, the final dividend paid in respect of the year ended 30 April 2010 totalled HK$52,424,000.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculations of basic and diluted earnings per share are based on the following data:

	2011	2010
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	**268,669**	211,756

	2011 Number of shares (in thousand)	2010 Number of shares (in thousand)
Shares		
Weighted average number of ordinary shares (inclusive of mandatorily convertible instruments) for the purpose of calculating the basic and diluted earnings per share	**12,611,732**	5,495,200

No adjustment has been made to the basic earnings per share amount presented for the year ended 30 April 2011 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amount presented. There was no share option outstanding during the year ended 30 April 2010.

10. TRADE RECEIVABLES

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**97,104**	105,128
Impairment	**(31,278)**	(25,566)
	65,826	79,562

The Group's trading credit terms range from 1 day to 90 days. Other credit terms are assessed and approved on a case-by-case basis. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are regularly reviewed by senior management. In view of the aforementioned, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2011	2010
	HK$'000	*HK$'000*
Current	**56,325**	59,090
1 to 2 months	**855**	1,426
2 to 3 months	**4,056**	1,852
Over 3 months	**4,590**	17,194
	65,826	79,562

11. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2011	2010
	HK$'000	*HK$'000*
Current	**270,269**	159,703
1 to 2 months	**32,293**	27,037
2 to 3 months	**17,967**	8,114
Over 3 months	**67,914**	65,661
	388,443	260,515

The trade payables are non-interest-bearing and are normally settled on 30-day to 90-day terms.

12. CONTINGENT LIABILITY

A subsidiary of the Group, namely Cosway (HK) Limited ("CHK"), is currently a respondent in a legal claim brought by a party alleging that CHK breached and repudiated a signed courier service agreement to use certain minimum services from a service provider. The directors, based on the advice from the Group's legal counsel, believe that CHK has a valid defence against the allegation and, accordingly, have not provided for any claim, other than the related legal and other costs.

13. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2011 *HK$'000*	2010 *HK$'000*
Contracted, but not provided for:		
Property, plant and equipment	**27,082**	–
Others	**1,709**	–
	28,791	–
Authorised, but not contracted for:		
Property, plant and equipment	**693**	–
	29,484	–

14. EVENTS AFTER THE REPORTING PERIOD

(a) On 15 July 2011, the Company, as guarantor, entered into a facility agreement with a bank relating to a 5 years term loan facility of up to RM100,000,000 (equivalent to HK$261,370,000) granted to a subsidiary.

(b) On 18 July 2011, the Company announced that CCB, the controlling shareholder of the Company, is considering the privatisation of the Company which may result in the delisting of the Company's shares from the Main Board of The Stock Exchange of Hong Kong Limited ("Possible Privatisation"). The Company has been informed by CCB that if they are to proceed with the Possible Privatisation, it is envisaged that it would be at a cash consideration of HK$1.10 per Company's share and HK$1.10 per HK$0.20 nominal amount of ICULS. Further details of the Possible Privatisation are set out in the Company's announcement dated 18 July 2011.

15. COMPARATIVE AMOUNTS

As further explained in notes 2.2 to the financial statements, due to the adoption of new and revised HKFRSs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made, certain comparative amounts have been reclassified and restated to conform with the current year's presentation and accounting treatment, and a third statement of financial position as at 1 May 2009 has been presented.

MANAGEMENT DISCUSSION AND ANALYSIS

The following management discussion and analysis should be read in conjunction with the audited financial statements of the Company for the year ended 30 April 2011.

Summary of Financial Results

The Group posted a commendable performance for the year ended 30 April 2011 with increased revenue of 44.6% to HK$3.37 billion against HK$2.33 billion recorded for the same period in 2010. The increase was mainly attributed to healthy revenue growth in the existing markets where the Group operates, as the productivity of the new "Free Stores" continued to improve, particularly in the Malaysian, Hong Kong and Taiwanese markets, with year-on-year increase in revenue from 28.1% to 39.9%.

The revenue growth was further accelerated with the strong contribution from new debutant countries, Japan and USA. In addition for mainland China, although eCosway does not have any "Free Stores" there yet, the Group had already built a brand presence in the world's most populous country via the Internet through eCosway global online shopping portal. In total the Group had established its global physical presence in 13 countries with over 1,700 stores and sales centres strategically located at high foot traffic places. Together with the ever expanding membership base of more than 1 million globally, the Group had been able to leverage on the extensive network to further grow the demand of its products which included an array of healthcare, slimming, skin care, cosmetics, household products, water filtration system as well as food and beverages.

With higher revenue, the Group's gross profit rose 43.4% to HK$1.40 billion for the year ended 30 April 2011 from HK$976.33 million in the previous year.

Profit before tax grew 24.6% and was not in tandem with the increase in revenue as the Group incurred substantial pre-operating expenses and set-up costs entering into new markets during the year. The entry into the new markets which is part of the Group's proactive efforts is expected to contribute positively to its performance in the near future.

Results of Operations

Year Ended 30 April 2011 compared to Year Ended 30 April 2010

a) Revenue by Business Segment

	30 April 2011		30 April 2010		% increase in sales
	HK$' mil	***%***	*HK$' mil*	*%*	*%*
Direct Selling/Retailing	**3,356.22**	**99.6**	2,318.14	99.5	44.8
Others	**12.26**	**0.4**	11.14	0.5	10.1
Total	**3,368.48**	**100.0**	2,329.28	100.0	44.6

The bulk of the revenue is generated by the Direct Selling/Retailing of consumer goods, which are the principal activities of the Group.

b) Direct Selling/Retailing by Region

	30 April 2011		30 April 2010		% increase in sales
	HK$' mil	***%***	*HK$' mil*	*%*	*%*
Malaysia, Singapore and Brunei	**1,655.95**	**49.3**	1,257.19	54.2	31.7
Hong Kong, Macau and Taiwan	**1,367.32**	**40.7**	903.24	39.0	51.4
Other Countries	**332.95**	**10.0**	157.71	6.8	111.1
Total	**3,356.22**	**100.0**	2,318.14	100.0	44.8

Malaysia, Singapore and Brunei

The Malaysia, Singapore and Brunei markets continued their record breaking revenue performance during the year with revenue of HK$1.66 billion, an increase of HK$398.76 million, or 31.7%, as compared to the same period in 2010.

The increase in revenue underscored the continued commitment and dedication of "Free Stores" operators and members who had embraced the eCosway's uniqueness of the network marketing and retailing concept. The "Blue Ocean strategy"* adopted had created new market space which provided many opportunities for growth as competition became irrelevant. More than 200 "Free Stores" were opened during the year providing easy access and convenience to the expanded membership base which had grown to more than half a million mark.

* "Blue Ocean Strategy" W. Chan Kim and Renée Mauborgne, Harvard Business School Press, 2005

Hong Kong, Macau and Taiwan

The Hong Kong, Macau and Taiwan region, performed superbly with revenue achievement of HK$1.37 billion for the year ended 30 April 2011, an increase of HK$464.08 million or 51.4% as compared to the same period in 2010.

The overwhelming good results were achieved as a result of the tireless efforts employed in aggressive recruitment and marketing activities supported by exciting promotions and enhanced incentives.

Out of the total revenue of HK$1.37 billion in this region, 67.5% of the revenue was contributed by Hong Kong and Macau which collectively grew a whopping 68.7% or HK$375.85 million reporting total revenue of HK$922.73 million for the year.

This impressive performance was fueled by members who were extremely excited and bullish in their networking activities in anticipation of the Group's entry into new markets.

For Taiwan, the improved productivity of the stores and intensified marketing initiatives were the impetus in driving the revenue growth of 24.8% to HK$444.59 million as compared to HK$356.36 million last year.

Other Countries

The Group's other countries comprised Australia, Indonesia, South Korea and Thailand and the debutant countries, USA, Japan, New Zealand and UK.

Australia and Thailand represented the majority of Other Countries in terms of revenue, with combined revenue of HK$163.49 million for the year ended 30 April 2011 against HK$90.12 million for the year ended 30 April 2010. This represents an increase in revenue of more than 80% and is reflective of the effectiveness of the new hybrid business model.

The game changing revolutionary network marketing/"Free Stores" and sales centres concept had generated a refreshing and envious outlook from the direct selling industry in the respective debutant countries, USA, Japan, New Zealand and UK. Within a short span of six months, almost 100 "Free Stores" and sales centres were set up in these new countries.

During the gestation period, while the Group incurs additional capital expenditure, investment in human resources and expenses in relation to product registration, the benefits to be derived from these new markets will only accrue in the near future.

Revenue by Product Category

CATEGORIES	**Year 2011** **%**	Year 2010 %
Health Care	**39.3**	38.3
Personal Care	**29.2**	26.9
Home Care	**14.9**	17.3
Food & Beverage	**7.3**	8.8
Others	**9.3**	8.7
TOTAL	**100.0**	100.0

Health Care and Personal Care with combined revenue of 68.5% of total Group's revenue continued to dominate the overall revenue mix for the Group and had been fairly consistent with previous years.

A reclassification of product categories was conducted during the year and Health Care products was the biggest revenue contributor with almost 40% share of the Group's revenue.

The monthly product catalogues and newsletters which were mailed to every member and VIP shoppers had shown to be a very effective selling tool as they eagerly await new and exciting promotional offers. The redemption coupons (offered in Malaysia markets) and reward points coupled with the monthly specials continued to generate buying interest amongst the members.

Sales Outlets

During the year, 354 new "Free Stores" were opened, of which more than 200 were situated in Malaysia, Singapore and Brunei region and more than 30 in the USA and Japan. Excluding rental deposits and stocks, the capital expenditure required per new "Free Store" can range from HK$175,000 in Malaysia to over HK$500,000 in USA and HK$600,000 in Australia.

In the coming financial year, the rate of store expansion will be accelerated in the USA, Japan and China markets.

Revenue

The Group's foray into new markets and the higher productivity attained in the existing markets arising from aggressive recruitment and marketing activities pushed revenue to a new record high of HK$3.37 billion registering a year-on-year revenue growth of almost 45%. This impressive revenue performance underscores the strength and resilience of the Group as our products and business opportunity continue to attract global interest in our hybrid marketing model.

Gross Profit

In tandem with the increased revenue, gross profit rose by 43.4% to HK$1.40 billion for the year ended 30 April 2011, as compared to HK$976.33 million last year.

While we continue to enjoy economies of scale as a result of volume purchases, the overall gross profit margin had remained fairly consistent with last year, attributable mainly to the special introductory offers (eV sets) at attractive pricing and higher member bonus payout rate granted for recruitment of new members.

Finance Costs

The full year impact of the interest costs in relation to the Irredeemable Convertible Unsecured Loan Securities ("ICULS") issued by the Company on 8 December 2009 and new bank borrowings obtained to finance the Group's expansion program resulted in the increase in finance costs from HK$19.03 million last year to HK$44.36 million in the current year.

Income Taxes

Income taxes were HK$81.61 million for the year ended 30 April 2011, as compared to HK$60.89 million for the same period in 2010. As a percentage of profit before taxation, the effective income tax rate was 23.1% for the year ended 30 April 2011, as compared to 21.5% for the same period in 2010. The increase in effective income tax rate for the year under review was primarily due to higher non-deductible expenses and tax losses incurred in overseas subsidiaries.

Future Prospects

The Group will pursue revenue growth by implementing transformational adjustments in the members' bonus plan to enhance the effectiveness and attraction of the hybrid business model. Management believes this change is necessary to further stimulate the passion of members and shoppers towards maximisation of their income which will simultaneously create a quantum leap in revenue productivity.

The new financial year will see additional new store format being set up under the same "Free Stores" concept but carrying exclusively a wide range of organic food and beverages products bearing the "Country Farm Organic" brand name. This new innovative venture will result in the development of yet another retail chain fully owned by the Group offering new product line that cater to the daily consumption of shoppers.

Setting up of physical presence in China by the final quarter of 2011 will be the next breakthrough for the Group. Preparatory work is currently in progress towards entering into the Colombian, Mexican and German markets.

While the existing countries are expected to contribute positively to the overall Group's growth in terms of revenue and profit, management believes the new markets when fully operational will drive the Group's business further.

Liquidity and Financial Resources

The Group generally finances its operations with internally generated funds as well as banking facilities provided by its bankers. As at 30 April 2011, the total cash and cash equivalents were at HK$208.20 million (2010: HK$135.21 million).

The current ratio of the Group was recorded as 1.3 times (2010: 1.3 times). As at 30 April 2011, the interest-bearing bank loans and other borrowings of the Group repayable within one year and after one year were HK$249 million and HK$11 million (restated 2010: HK$163 million and HK$3 million), respectively.

The Group's gearing ratio, which is interest-bearing bank borrowings less cash and cash equivalents ("Net Debt") divided by the equity attributable to owners of the parent plus Net Debt, was approximately 4.6% as at 30 April 2011.

Exposure to Fluctuations in Exchange Rates

The Group is exposed to risk arising from various currency exposures primarily with respect to the Ringgit Malaysia. The Group's business are predominantly located in Malaysia and Asia Pacific. All transactions are conducted in currency of the various countries of the Group's operations. These investments in foreign operations' net assets are exposed to foreign currency translation risk.

The Group is also exposed to foreign currency transaction risks for the purchase of materials and payment obligations. Such exposures are mitigated through purchases denominated in relevant currencies, whenever possible. The Group will continue reviewing its exposure to fluctuations in exchange rates regularly and to consider using the appropriate financial instruments to mitigate these exposures as and when necessary.

Capital Structure

On 23 November 2009, the Company had adopted a share option scheme (the "Scheme"). On 6 May 2010, a total of 17,625,000 share options were granted to eligible directors and employees of the Group at an exercise price of HK$1.10 per share. During the year under review, no options granted pursuant to the Scheme had been exercised while 375,000 share options have been forfeited.

During the year, certain ICULS holders (the "ICULS Holders") elected to convert the ICULS in the principal amount of HK$550,616,000, in aggregate, into new shares of HK$0.20 each. As a result of the conversion, the Company allotted and issued 2,753,080,000 new shares of HK$0.20 each to the ICULS Holders.

Material Acquisition, Disposals and Significant Investment

Other than those disclosed in the section under "Summary of Financial Results" above, the Group had no other material acquisition, disposal and significant investment during the year ended 30 April 2011.

Pledge of Assets

As at 30 April 2011, land and buildings, investment properties and bank deposits with a net book value of HK$97 million, HK$231 million and HK$7 million (2010: HK$14 million, HK$195 million and HK$1 million) respectively, were pledged to secure banking facilities for the Group.

Contingent Liabilities

Details of the contingent liabilities are set out in note 12 to the result announcement.

Capital Commitments

Details of the capital commitments are set out in note 13 to the result announcement.

The Group is expected to progressively incur capital expenditure mainly in relation to the opening of new "Free Stores". The Group will continue to explore for suitable sites for the setting up of new stores especially in the new markets in Japan, USA, UK and China in the coming years and the amount of capital expenditure to be incurred is expected to follow the similar trend as the past months. The actual amounts to be spent will depend on the availability of suitable sites and actual costs to be incurred in the respective markets.

Employees and Remuneration Policy

The Group had a total of approximately 1,400 employees as at 30 April 2011.

The remuneration policy of the Group is to ensure that the overall remunerations are fair and competitive in order to motivate and retain existing employees and at the same time to attract prospective employees. The remuneration policy has been formulated after having taken into account local practices in various geographical locations in which the Group and its associates are operating. These remuneration packages comprise basic salaries, allowances, retirement schemes, service bonuses, fixed bonuses, performance-based incentives and share options, where appropriate.

DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the year (2010: HK1.5 cents per share).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE OF THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has made specific enquiries to all directors of the Company who have confirmed that they have complied with the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the financial year ended 30 April 2011.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules during the financial year ended 30 April 2011 except the deviations as follows:

Code Provision A.2.1

Mr. Chuah Choong Heong is both the Chairman of the Board and Chief Executive Officer of the Company. The Board considers that although such structure deviates from Rule A.2.1 of the Corporate Governance Code, the effective operation of the Group will not be impaired since Mr. Chuah has exercised sufficient delegation in the daily operation of the Group's business as Chief Executive Officer while being responsible for the effective operation of the Board as Chairman of the Board.

Code Provision A.4.1

Although certain non-executive directors are not appointed for a specific term, they are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association of the Company.

Further information on the Company's corporate governance practices is set out in the Corporate Governance Report contained in the Company's Annual Report.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed the consolidated financial statements of the Group for the year ended 30 April 2011, including the accounting principles and accounting standards adopted by the Company, and discussed matters relating to auditing, internal controls and financial reporting.

PUBLICATION OF RESULTS ANNOUNCEMENT

The annual results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and on the website of the Company at www.coswaycorp.com. The Annual Report will be dispatched to the shareholders of the Company and will be published on the above websites in due course.

By order of the Board
Cosway Corporation Limited
Tan Yeong Sheik, Rayvin
Executive Director

Hong Kong, 26 July 2011

As at the date of this announcement, the Board of the Company comprises two Executive Directors, namely Mr. Chuah Choong Heong and Mr. Tan Yeong Sheik, Rayvin; three Non-executive Directors, namely Mr. Chan Kien Sing, Mr. Tan Thiam Chai and Ms. Tan Ee Ling and three Independent Non-executive Directors, namely Mr. Leou Thiam Lai, Ms. Deng Xiao Lan, Rose and Mr. Massimo Guglielmucci.